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No. ——

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Petitioners,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED FOR REVIEW

A court of appeals rule permits affirmance without opinion if the evidence for a jury verdict was sufficient "or" there was no legal error. The question presented is:

In an appeal raising independently dispositive grounds (*e.g.*, insufficient evidence; legal error in instructions), does a court impermissibly curtail the scope of appellate review by affirming without opinion where it finds the evidence sufficient to support a jury verdict, while not addressing dispositive legal error in jury instructions?

STATEMENT REQUIRED BY RULE 29.1

Rodgard Corporation is a wholly owned subsidiary of Astronics Corporation. Rodgard Corporation itself has no subsidiaries, and Astronics Corporaton has no subsidiaries which it does not wholly own.

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PETITION FOR WRIT OF CERTIORARI

OPINIONS BELOW

The appendix to this petition ("Pet. App.") includes the unreported decision of the United States District Court for the Western District of New York denying petitioners' post-trial motion pursuant to Fed. R. Civ. P. 50(b) and 59(a) (Pet. App. 4a-7a). The United States Court of Appeals for the Federal Circuit affirmed by order with no opinion (Pet. App. 3a).

JURISDICTION

The Federal Circuit entered its judgment order of affirmance on May 11, 1992. On June 4, 1992, the Federal Circuit denied petitioners' timely petition for rehearing (Pet. App. 2a). On June 11, 1992, the Federal

Circuit denied the petitioners' suggestion for rehearing in banc (Pet. App. 1a). This Court's jurisdiction is timely invoked pursuant to 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS AND RULE INVOLVED

28 U.S.C. § 2071(a):

> (a) The Supreme Court and all courts established by Act of Congress may from time to time prescribe rules for the conduct of their business. Such rules shall be consistent with Acts of Congress and rules of practice and procedure prescribed under section 2072 of this title.

28 U.S.C. § 2111:

> On the hearing of any appeal or writ of certiorari in any case, the court shall give judgment after an examination of the record without regard to errors or defects which do not affect the substantial rights of the parties.

Federal Circuit Rule 36:

> The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that any of the following circumstances exist:
>
> (a) the judgment, decision or order of the trial court appealed from is based on findings that are not clearly erroneous;
>
> (b) the evidence in support of a jury verdict is sufficient;
>
> (c) summary judgment, directed verdict, or judgment on the pleadings is supported by the record;
>
> (d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or
>
> (e) a judgment or decision has been entered without an error of law;
>
> and an opinion would have no precedential value.

STATEMENT OF THE CASE

Petitioners brought this action in the United States District Court for the Western District of New York, seeking a declaration of invalidity and non-infringement of respondents' patents for a device known as a "safety roller," which enables an automobile tire to be operated in a flat condition. Respondents counterclaimed, seeking damages for infringement of their patents. The court bifurcated the issues of liability and damages for jury deliberations, and the jury first found that petitioners had infringed one of respondents' patents. (No issue is raised in this Court about that determination.)

Petitioners objected to respondents' proposed jury instructions on damages because they referred to a royalty and there was no evidence on which the jury could base a royalty; respondents acceded and withdrew their request for an instruction on royalty, and the court agreed that "[r]oyalty is out" (A747-49).[1]

Then, after denying petitioners' motion for a directed verdict, which argued, *inter alia*, that respondents had not met their burden of proof as to damages, the trial court instructed the jury on damages. Petitioners objected to the instructions on several grounds of present relevance (A780-83):

> (1) the court instructed the jury that damages could take the form of respondents' lost profits or a reasonable royalty; petitioners objected that there was no evidence for the royalty claim (A780)—which had led to its being withdrawn;[2]
>
> (2) the court instructed the jury that, if they could not determine a reasonable royalty, "then you would

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[1] "A" refers to the joint appendix filed in the Federal Circuit. We have lodged a copy with the Clerk of this Court.

[2] Respondents' attorney conceded that "there is no evidence . . . of what a reasonable royalty is" (A751).

> gauge the loss to Mr. Patecell of any profit that he would have made from his monopolistic exercise of his patent rights" (A776); petitioners objected that the court failed to instruct the jury on the applicable legal standards for determining lost profits, leaving the jury to speculate on that issue, and that there was insufficient evidence of lost profits (A780).

The court did not cure these errors.

The jury returned a general verdict of infringement damages in the amount of $1,223,468, without specifying whether that sum represented lost profits or a reasonable royalty (A785). The amount of the verdict did not correspond with respondents' claim of lost profits (*see* A67 (Trial Exhibit)).

Petitioners moved for judgment notwithstanding the verdict pursuant to Fed. R. Civ. P. 50(b), and, in the alternative, for a new trial pursuant to Fed. R. Civ. P. 59(a). The motion was based upon, *inter alia*, the lack of evidence to support the jury's damages verdict—whether lost profits or a reasonable royalty—and the erroneous jury instructions (A796-99). Respondents admitted that "we do not know if the jury's damage [award] was based on a reasonable royalty or lost profits" (A804). However, the district court denied the motions, stating merely that "there was a sufficient quantum and quality of evidence which was before the jury upon which reasonable jurors could come to the declared conclusion" (Pet. App. 6a). The Court did not indicate what that evidence was, nor did it explain how its finding could be reconciled with respondents' admission that there was no such evidence as to royalties. Of petitioners' objections to the instructions, the court said only that they "were the subject of extensive pre-charge and post-charge arguments" (*id.*).

Upon petitioners' appeal, respondents addressed other issues raised on appeal, but had no response on the with-

drawal of the royalty claim or the merits of petitioners' challenges to the instructions at issue here. Five days after oral argument the Federal Circuit issued an order affirming without opinion, citing Federal Circuit Rule 36 (Pet. App. 3a), which authorizes such affirmance if the evidence is sufficient "or" there are no errors of law.

SUMMARY OF ARGUMENT

Under settled legal principles, petitioners' appeal presented clear legal errors concerning the jury instructions, and a challenge to the sufficiency of the evidence, concerning damages. Even if the evidence were sufficient, the courts of appeals, could not have written an opinion affirming because of the legal errors concerning the instructions. The court affirmed, without opinion, apparently because it concluded that it could do so under Federal Circuit Rule 36, which by its terms permits the court to affirm without opinion where the evidence is sufficient "*or*" there is no error of law. Rule 36 contracts sharply with the similar rules of other courts of appeals which expressly require that the circumstances permitting affirmance without opinion be "dispositive" or that in any case there be no error of law.

As written and applied, Rule 36 permits affirmances that deprive litigants of substantial rights. The use of summary affirmance without opinions is growing among the courts of appeals, in the face of widespread criticism and opposition because of the many adverse effects of such affirmances on the quality of appellate justice. In the exercise of its supervisory jurisdiction, this Court should grant review to address whether Rule 36 comports with law and sound appellate practice and to provide guidance to courts of appeals and litigants on this important question of judicial administration.

REASONS FOR GRANTING THE WRIT

1. For purposes of this petition, we assume *arguendo* that the Federal Circuit could have defensibly concluded that the evidence was sufficient (if barely so) to support the jury's verdict if that verdict was based on lost profits. The problem underlying the petition is that (1) there was concededly no evidence to support a jury finding of a reasonable royalty,[3] and the royalty claim had been withdrawn from the case;[4] (2) the court's instructions permitted the jury to base damages on either lost profits or a reasonable royalty, and it is impossible to know upon which the jury's damage verdict is based;[5] and, in any

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[3] The primary inquiry in determining a reasonable royalty is "what the parties would have agreed upon, if both were reasonably trying to reach an agreement" (*University Computing Co. v. Lykes-Youngstown Corp.*, 504 F.2d 518, 537 (5th Cir. 1974) (quoting *Ergy Register Co. v. Standard Register Co.*, 23 F.2d 438, 443 (6th Cir. 1928)), considering, *inter alia*, "the customary profit allowed licensees." *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1164 (6th Cir. 1978); *see* Annotation, *Factors to be Considered in Determining a "Reasonable Royalty" for Purposes of Calculating Damages for Patent Infringement Under 35 U.S.C. § 284*, 66 A.L.R. Fed. 186, 194 § 3(a) (1984) (recognizing distinction between "reasonable royalty" and lost profits or other actual damages).

[4] It is reversible error or to instruct the jury on a proposition for which there is no evidence (*Keyser v. Hitz*, 133 U.S. 138, 147 (1890); *Bryan v. United States*, 66 U.S. (1 Black) 140, 148 (1862); *Farrell v. Klein Tools, Inc.*, 866 F.2d 1294, 1297 (10th Cir. 1989); *Jones v. Consolidated Rail Corp.*, 800 F.2d 590, 592 (6th Cir. 1986); *DMI, Inc. v. Deere & Co.*, 802 F.2d 421, 429 (Fed. Cir. 1986)), and, in particular, to award a reasonable royalty without supporting evidence. *E.g., Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 895 F.2d 1403, 1407 (Fed. Cir. 1990) (citing *Devex Corp. v. General Motors Corp.*, 667 F.2d 347 (3d Cir. 1981), *aff'd*, 461 U.S. 648 (1983)).

[5] With a general verdict, if one underlying theory is legally erroneous or unsupported by evidence "the verdict cannot be upheld." *Sunkist Growers, Inc. v. Winckler & Smith Citrus Prods. Co.*, 370 U.S. 19, 29-30 (1962); *Salem v. United States Lines Co.*, 370 U.S.

event, (3) the court failed to instruct the jury about the established standards for determining lost profits,[6] thus leaving the jury impermissibly free to speculate.[7] These

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31, 39 (1962) (Harlan, J., concurring); *United N.Y. & N.J. Sandy Hook Pilots Ass'n v. Halecki*, 358 U.S. 613, 619 (1959) ("A new trial will be required, for there is no way to know that the invalid claim . . . was not the sole basis for the verdict."); *see Memphis Community School Dist. v. Stachura*, 477 U.S. 299, 312 (1986) ("When damages instructions are faulty and the verdict does not reveal the means by which the jury calculated damages, '[the] error in the charge is difficult, if not impossible, to correct without retrial, in light of the jury's general verdict.' ").

[6] Under settled case law, where, as here, a patent holder claims that he would have made *all* of the infringer's sales (A559), then he must establish: (1) a demand for the patented product; (2) his marketing and manufacturing capability to exploit the demand; (3) the absence of acceptable non-infringing substitutes; and (4) the amount of profit which he would have made. *Smithkline Diagnostics, Inc. v. Helena Labs. Corp.*, 926 F.2d 1161, 1165 (Fed. Cir. 1991); *Water Technologies Corp. v. Calco, Ltd.*, 850 F.2d 660, 671-72 (Fed. Cir.) (citing *Panduit Corp., supra*, 575 F.2d at 1164), *cert. denied*, 488 U.S. 968 (1988). The absence of instructions on how to calculate lost profits would have been fatal even if the reasonable royalty issue had been properly before the jury, for these are discrete and independent concepts with different standards. *See Fromson v. Western Litho Plate & Supply Co.*, 853 F.2d 1568, 1574 (Fed. Cir. 1988).

[7] *See Pleasants v. Fant*, 89 U.S. 116, 121-22 (1875) ("duty of a court, in its relation to the jury, [is] to protect parties from unjust verdicts arising from ignorance of the rules of law . . . . This is done . . . by instructing them in the rules of law by which . . . evidence is to be examined and applied."); *Structural Rubber Prods. Co. v. Park Rubber Co.*, 749 F.2d 707, 723 (Fed. Cir. 1984) (trial court has duty "to give instructions which are meaningful, not in terms of some abstract case, but which can be understood and given effect by the jury once it resolves the issues of fact which are in dispute"); *Choy v. Bouchelle*, 436 F.2d 319, 325 (3d Cir. 1970) (new trial required because charge was "totally inadequate in providing legal guidelines to the relevant factual situations here involved;" "task of the jury, to apply the rules of law as given by the court below, certainly cannot be satisfactorily accomplished . . . in the abstract"); *Frederic P. Wiedersum Assocs. v. National Homes*

legal errors, either singly or in combination, constituted reversible error, and on appeal respondents had no meaningful answer to them, yet the Federal Circuit affirmed. Because the affirmance was without opinion, we cannot know whether the Federal Circuit considered these claims of legal error and found them without merit—a conclusion difficult to square with settled case law—or whether, as expressly allowed by Rule 36, the court merely affirmed because it concluded that one of the alternative circumstances set forth in Rule 36 was present, *i.e.*, the evidence was sufficient to support the verdict.

2. Although summary affirmance without opinion may be a necessary tool of judicial administration, such unexplained affirmances entail substantial risks and detriments: the failure to inform the unsuccessful appellant why he has lost; a heightened risk that the issues will not receive adequate attention;[8] an increased prospect for undetectable and effectively uncorrectable error in the

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Constr. Corp., 540 F.2d 62, 66 (2d Cir. 1976) (" 'fundamental' error to give instructions . . . which fail 'to provide even the barest legal guideposts to aid the jury in rationally reaching a decision' "); *Carvel Corp. v. Diversified Mgt. Group, Inc.*, 930 F.2d 228, 232 (2d Cir. 1991). This requirement has due process implications. *In re Japanese Electronic Prods. Antitrust Litig.*, 631 F.2d 1069, 1084, 1085 (3d Cir. 1980); *Clark v. Weeks*, 414 F. Supp. 703, 707 (N.D. Ill. 1976).

[8] As Professor Leflar (also a former state supreme court justice) has explained:

> [Preparing an opinion] assures some measure of thoughtful review of the facts in a case and of the law's bearing upon them. Snap judgments and lazy preferences for armchair theorizing as against library research and time-consuming cerebral effort are somewhat minimized. The checking of holdings in cases cited, the setting down of reasons, the answering of arguments seriously urged, and the announcement of a conclusion that purportedly follows from the analysis set out in the opinion are antidotes to casualness and carelessness in decision. They compel thought. It is even necessary that the thought have some quality of rigorousness in it. [Leflar, *Some Observations Concerning Judicial Opinions*, 61 Colum. L. Rev. 810 (1961).]

court's understanding or analysis of the issues;[9] and the undermining of public confidence in the judicial system by unexplained fiats, which may tend to have the appearance of arbitrariness.[10] *See, e.g.*, Martineau, *Modern Appellate Practice: Federal and State Civil Appeals* § 14.2, at 241-42 (1983); Robel, *The Myth of the Disposable Opinion: Unpublished Opinions and Government Litigants in the United States Courts of Appeals*, 87 Mich. L. Rev. 940, 941-43 (1989); Baker, *A Compendium of Proposals to Reform the United States Courts of Appeals*, 37 U. Fla. L. Rev. 225, 247-48 (1985); Reynolds & Richman, *The Non-Precedential Precedent—Limited Publication and No-Citation Rules in the United States Courts of Appeals*, 78 Colum. L. Rev. 1167, 1174-75 (1978); ABA Comm'n on Standards of Judicial Administration, *Standards Relating to Appellate Courts* 50 (1977).[11] *See also*

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[9] According to one study, after the Fifth Circuit instituted a rule permitting no-opinion affirmances, the rate of affirmances increased substantially relative to other courts of appeals and that court's prior history. Haworth, *Screening and Summary Procedures in the U.S. Courts of Appeals*, 1973 Wash. U. L.Q. 257, 275-80.

[10] "Having a written opinion also assures the parties that the court has given their case a reasonable amount of attention and that its decision was not the result of prejudice, mistake or oversight." Martineau, *Modern Appellate Practice: Federal and State Civil Appeals* 242 (1983).

[11] For these reasons, "those who have studied the need for written opinions have almost without exception concluded that some type of opinion should be prepared in every case." Martineau, *supra* (citing, *inter alia*, Carrington, Meador & Rosenberg, *Justice on Appeal* 33 (1973); Pound, *Appellate Procedure in Civil Cases* 3 (1941); and Advisory Council on Appellate Justice, *Standards for Publication of Judicial Opinions* 4 (1973)); *see ABA Comm'n, supra*, at 49 ("Every decision should be supported, at minimum, by a citation of the authority or statement of grounds upon which it is based."). *Compare In re Shell Oil Co.*, 966 F.2d 1130, 1132-33 (7th Cir. 1992) (Easterbrook, J.) (granting mandamus to require court to state reasons for remand decision; "every dispositive order [s]hould be explained—for the benefit of the parties (who should not have to wonder why a judge acted) as well as [the reviewing] court;" "[r]easons need not be elaborate; often a sentence will do").

NLRB v. Amalgamated Clothing Workers, 430 F.2d 966, 972 (5th Cir. 1970) (opinion of Brown, C.J.) (summary affirmance procedure must be "sparingly used," with due consideration for "the easy temptation or tendency to ill-considered or even arbitrary action by those having the awesome power of almost final review").[12]

Concerns about these issues are particularly acute when the appellate court's decision is not itself readily subject to further review, as is so with decisions of the Federal Circuit,[13] for that involves the practical prospect of essentially unreviewable arbitrariness or error.

Accordingly, when courts do render unexplained decisions it is important that they do so under governing rules written and applied so as carefully to control the practice, lest litigants be wrongly deprived of substantial rights and the quality of appellate adjudication be undermined. Unexplained affirmances have become a subject of growing concern with respect to the federal courts of appeals. *See, e.g.*, Robel, *supra;* Baker, *supra;* Reynolds & Richman, *supra*.[14] Several circuits have adopted rules or procedures that permit unexplained affirmance in specified circumstances. *See* D.C. Cir. R. 14(c); 3d Cir. I.O.P. 6.2.2; 5th Cir. R. 47.6; 8th Cir. R. 47B; 11th Cir. R. 36-1.

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[12] Unexplained affirmances constitute an extreme case of the problem of "secret law" that has provoked continuing concern among jurists and litigants. *See, e.g., County of Los Angeles v. Kling*, 474 U.S. 936, 938-39 & n.1 (1985) (Stevens, J., dissenting).

[13] Because of the specialized nature of most of the Federal Circuit's jurisdiction, its decisions rarely present conflicts with other appellate decisions that might provide a basis for this Court's exercise of its certiorari jurisdiction. Stern, Gressman & Shapiro, *Supreme Court Practice* § 4.21 (6th ed. 1986).

[14] Although this Court's rules contemplate the possibility of "summary" disposition (*see* Sup. Ct. R. 16.1, 18.10), since the curtailment of most of its mandatory appellate jurisdiction in the 1980's, it has been this Court's practice to render some form of explanation in connection with virtually every final disposition it renders on the merits, even if summary in nature.

The Federal Circuit was not one of those courts, until recently. For most of its life that court had followed the traditional practice of providing some form of opinion in every case.

> [T]he Court agreed at the outset to issue an opinion in every single case decided on the merits. Some would be published, some would not be, but every case would get an opinion and every opinion would tell the loser why he lost. [*Proceedings of First Annual Jud. Conf. of the U.S. Ct. of App. For the Fed. Cir.*, 100 F.R.D. 499, 509 (1983) (Markey, C.J.)]

As Chief Judge Markey explained:

> It is tradition. It is a requirement of the courts of this land, thank God. We do not issue fiats. We do not just render a one-worded decision and go away. We explain our decisions. It is one of the great keys of the American judicial system. It is unfortunate that there are today so many cases that each cannot be explained in detail. In our Court there will be an opinion explaining enough to tell you what the law is in every case. And that is the main thing. That is the reason for explaining decisions. You would never know what the law is otherwise. [*Id.* at 511.]

The approach of the Federal Circuit before it adopted Rule 36 in 1989 was in line with the rules of many other busy circuits, which, for cases not disposed of by published opinion, provide for some statement of reasons in every case, either from the bench or in an order. *See, e.g.*, 4th Cir. I.O.P. 36.3; 7th Cir. R. 53(c)(2).

However, the Federal Circuit changed its approach and, like several other circuits before it, adopted a rule permitting summary affirmance without opinion. As revised in 1989, Rule 36 now states:

> The court may enter a judgment of affirmance without opinion, citing this rule, when it determines that *any* of the following circumstances exist:

(a) the judgment, decision or order of the trial court appealed from is based on findings that are not clearly erroneous;

(b) the evidence in support of a jury verdict is sufficient;

(c) summary judgment, directed verdict, or judgment on the pleadings is supported by the record;

(d) the decision of an administrative agency warrants affirmance under the standard of review in the statute authorizing the petition for review; or

(e) a judgment or decision has been entered without an error of law;

and an opinion would have no precedential value. [Emphasis added.]

Although not limited on its face, use of revised Rule 36 was evidently contemplated for cases in which there was a lower court decision explaining why the appellant had lost below. *Proceedings of Eighth Annual Jud. Conf. of the U.S. Ct. of App. for the Fed. Cir.*, 133 F.R.D. 345, 254 (1990) (Markey, C.J.) (losing party reads "the affirmed decision below to find out why he lost on appeal"). *But see* p. 15 n.19, *infra.*

In the Federal Circuit and other courts of appeals, unexplained affirmances have become increasingly common. In 1991, for example, the Federal Circuit disposed of over 30 percent of its cases on the merits without any opinion. *Eighth Year Report of the U.S. Ct. of App. For The Fed. Cir.* 3 (1990). These cases spanned the entire range of the Court's jurisdiction.[15] Unexplained affirmances by other courts of appeals have also reached significant levels.

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[15] Rule 36 affirmances and the lower tribunals involved are identified in the tables in F.2d. *See, e.g.*, 965 F.2d 1063-65; 960 F.2d 154-56; 956 F.2d 1171-74.

1991 Federal Court Management Statistics 26 (1991).[16] "The reality is that the courts of appeals are silently deciding appeals that twenty years ago would have been thought to merit a full opinion. That reality is at odds with the appellate ideal and the proper concept of role. This is one example where the courts of appeals have pursued efficiency at too high a price." Baker, *supra*, 37 U. Fla. L. Rev. at 250.

3. Federal Circuit Rule 36 has a feature that underscores the reasons for concern about no-opinion summary affirmances. Rule 36 permits the Federal Circuit to summarily affirm with no opinion when "any" of five circumstances exist and the panel believes an opinion would have no precedential value. By its terms, however, Rule 36 thus permits affirmance in circumstances where affirmance would ordinarily be impermissible. If the lower court has committed reversible error on any ground, an appellate court cannot properly affirm merely because it finds other claims of error to be without merit. *E.g.*, *United States v. Kozminski*, 487 U.S. 931, 953 (1988) (rejecting challenge to sufficiency of evidence; reversing based on erroneous instruction). Thus, if an appeal involves a challenge to the sufficiency of the evidence supporting a jury verdict *and* a challenge to the legal sufficiency of the jury instructions, the court ordinarily must rule against the appellant on *both* grounds in order to affirm the judgment. *E.g.*, *Jurgens v. McKasy*, 927 F.2d 1552, 1557 (Fed. Cir.) *cert. denied*, 112 S. Ct. 281 (1991). Yet Rule 36 purports to allow the court to affirm if the evidence is sufficient "or" if there is no error of law in the instructions, even if neither such circumstance is dispositive of all issues raised on appeal.

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[16] Overall, more than 12% of written decisions from the other courts of appeals, not including the Federal Circuit, do not state legal and factual elements or judgment rationale. *Id.*

Affirmance of the type thus sanctioned by Rule 36 impermissibly deprives litigants of substantial rights.[17] *See* 28 U.S.C. § 2071(a). Rule 36, moreover, is not aberrational, for it follows almost *in haec verba* the corresponding rule of another circuit. *See* 11th Cir. R. 36-1. Nor does the disjunctive approach of Rule 36 appear to be inadvertent, for similar rules of other circuits that antedated Rule 36, and were presumably considered by its drafters, make clear that circumstance(s) justifying no opinion must be "dispositive," a limitation omitted from Rule 36. *See* 5th Cir. R. 47.6 (formerly R. 21); 8th Cir. R. 47B. The Fifth Circuit's rule further specifies that in connection with any of the circumstances permitting affirmance without opinion, the court must also determine "that no error of law appears . . . ." 5th Cir. R. 47.6; *see In re Perimeter Park Inv. Assocs., Ltd.*, 616 F.2d 150, 151 (5th Cir. 1980).

The present case demonstrates that the Federal Circuit appears to be applying Rule 36 in accordance with its terms, so as to affirm without decision merely when it finds that one of the circumstances listed is present, even though that circumstance is not dispositive of all issues. Thus, here, on its appeal, petitioners made two types of challenges to the judgment: they attacked the sufficiency of the evidence to support the verdict, as to both liability and damages; *and* they attacked the legal sufficiency of the district court's instructions to the jury. As noted, on certain of the issues there was no meaningful opposition by respondents, and no apparent basis for finding no errors of law.[18] The Federal Circuit's affirmance seems

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[17] The fair implication of the "harmless error" rule (28 U.S.C. § 2111) is that an appellate court must reverse for errors that "affect the substantial rights of the parties."

[18] This includes petitioners' claims that (1) the issue of a reasonable royalty could not be submitted to the jury because there was no evidence to support it and respondents had withdrawn the issue; (2) the instructions as to damages were fatally defective

explicable only on the ground that, as permitted by the terms of Rule 36, the court found the evidence sufficient to support the jury's verdict and went no further in considering petitioners' claims of errors of law.[19]

If the court of appeals had written an opinion saying that a damage claim could be submitted to the jury although it had been withdrawn and lacked any evidentiary support or that a jury could properly find a reasonable royalty or lost profits without any guidance, or that the judgment could be affirmed despite prejudicial legal errors in the charge because the evidence was sufficient to support a verdict, its decision would conflict with decisions of this Court and of other courts of appeals and would merit certiorari and reversal (*see* pp. 6-8 & nn. 3-7, p. 13 *supra*). The result should be no different merely because the court has not articulated those conclusions.

We recognize that, in the main, courts of appeals should have wide latitude about whether or how to write opinions. *See Taylor v. McKeithen*, 407 U.S. 191, 194 n.4 (1972) (citing 5th Cir. R. 21, now 5th Cir. R. 47.6).[20] The Court nevertheless should exercise its supervisory jurisdiction to ensure that Federal Circuit Rule 36 is permissibly framed and is being properly applied so as

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because they gave the jury no guidance in determining lost profits, and permitted the jury to engage in unbounded speculation, and (3) as respondents conceded, it was not possible to tell whether the jury's general verdict was based on a reasonable royalty or lost profits (*see* pp. 6-8 & nn. 3-7, *supra*).

[19] Contrary to the premise of Rule 36, in this case there is no lower court opinion providing a plausible alternative explanation, for the district court's only comment on the issues concerning the instructions was that they had been the subject of "lengthy . . . arguments" (Pet. App. 6a).

[20] We note that *Taylor* referred to, and *Amalgamated Clothing* involved, a Fifth Circuit rule that has long required, unlike Rule 36, that the circumstances permitting summary affirmance without opinion must be "dispositive." *See Amalgamated Clothing*, 430 F.2d at 968 n.2.

not to deprive litigants of substantial rights.[21] This is a recurring question of increasing importance not only as to the Federal Circuit but to other circuits that have or may consider like rules providing for no-opinion affirmances. The Court should grant review not only to ensure that Rule 36, as written and as applied, does not exceed the permissible bounds of appellate justice, but also to provide needed guidance to the courts of appeals and litigants about how this tool of appellate decision-making should be applied.

CONCLUSION

This court should grant certiorari.

Respectfully submitted,

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Dated: September 2, 1992

* Counsel of Record

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[21] The "decision" referred to in Sup. Ct. R. 10.1 is normally a ruling in a decided case. However, certiorari jurisdiction is appropriately exercised to review a conflict on the same point when reflected in decisions of different courts about the content of their rules, where that conflict is implicated in the decision of one of those courts in applying its rule. In any event, certiorari jurisdiction is also properly exercised here to correct the departure from the accepted and usual course of judicial proceedings sanctioned by Rule 36 and its application in this case.

APPENDIX

APPENDIX

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

92-1038

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Plaintiffs-Appellants,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Defendants-Appellees.

ORDER

[Filed June 17, 1992]

A suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, declined.

FOR THE COURT,

/s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

Dated: June 17, 1992

cc: JEREMIAH J. MCCARTHY
GLENN L. STEPHENSON

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

92-1038

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Plaintiffs-Appellants,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Defendants-Appellees.

ORDER

[Filed June 4, 1992]

Before MAYER, Circuit Judge, MICHEL, Circuit Judge, PLAGER, Circuit Judge.

A petition for rehearing having been filed in this case,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, denied.

The suggestion for rehearing in banc is under consideration.

The mandate will issue on June 11, 1992.

FOR THE COURT,

Date: June 4, 1992 /s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

cc: JEREMIAH J. MCCARTHY
GLENN L. STEPHENSON

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

92-1038

ASTRONICS CORPORATION and
RODGARD CORPORATION,
Plaintiffs-Appellants,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,
Defendants-Appellees.

JUDGMENT

On Appeal from the United States District Court Western District of New York/Buffalo in Case No(s) 85-1226E.

This CAUSE having been considered, it is

ORDERED and ADJUDGED:

Per Curiam: (MAYER, MICHEL, and PLAGER, *Circuit Judges*):

AFFIRMED. See Fed. Cir. R. 36.

ENTERED BY ORDER OF THE COURT

/s/ Francis X. Gindhart
FRANCIS X. GINDHART
Clerk

Dated: May 11, 1992

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

CIV-85-1226E

ASTRONICS CORPORATION,
and RODGARD CORPORATION,
Plaintiffs,

-vs-

THEDORE C. PATECELL
and THE PATECELL CORPORATION,
Defendants.

MEMORANDUM AND ORDER

In the business arena of designing, manufacturing and purveying plastic inserts which enable an automotive vehicle to proceed for a substantial distance and at a substantial velocity after one or more of such vehicle's tires had been punctured or had become flat for any other reason, the defendants had accused the plaintiffs of having infringed a certain patent issued to Mr. Patecell as to which patent the defendant corporation was the exclusive licensee. As a result or for such reason, the plaintiffs—parent and subsidiary corporations—instituted the instant lawsuit asking that the patent be declared invalid or at least not infringed. The plaintiffs also asked to have it found and declared that the defendants had unfairly competed with the plaintiffs, had defamed the plaintiffs and had interfered with the plaintiffs' contractual relations. The plaintiffs sought injunctive relief. The defendants, as counterclaims, asserted that the plaintiffs had been guilty of unfair competition, had infringed Mr. Patecell's patent, had defamed the defendants, had abused legal process, had illegally restrained trade and

had converted the defendants' business "know how" to the plaintiffs' own business benefit.

After a trial of moderate length the jury answered special interrogatories to indicate that a particular one of the plaintiffs' products infringed certain of Mr. Patecell's patent claims and that plaintiff Rodgard Corporation had so stood in a special or fiduciary position as to the defendants that Rodgard Corporation should have suffered a debarment from selling to others. Monetary damages were awarded.

The plaintiffs have moved for a judgment *non obstante veredicto* or, alternatively, for a new trial. The defendants have opposed such motion and have moved for an award to them of attorney's fees and costs, as a punishment to the plaintiffs for the instituting of this litigation.

A less strongly presented fundament for the granting of the plaintiffs' motion for a new trial is claimed newly discovered evidence in the form of a decision by the United States Court of Claims in a lawsuit which the defendants had filed and pursued against the United States. Such lawsuit had been settled and the defendants had sought on this trial to advise the jury of such disposition. The plaintiffs' objections thereto were sustained, repetitively. While the plaintiffs claim to have come upon the decision only recently and by accident, this Court holds to its decision that neither the settlement nor any other facet of the Court of Claims proceeding should be adduced in this trial.[1]

While there may always be a claim that patent litigation instituted by one who is claimed to be infringing or whose customers are alleged to be infringing is unnecessary inasmuch as the patentee himself has not sued for infringement, it is now well established that one who di-

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[1] Defendants' Exhibit 32, a stipulation in the United States Court of Claims for entry of judgment in favor of the defendants, was admitted but later removed from the evidence in the case.

rectly or indirectly (as, for example, by harassment of his customers) is claimed to be infringing can anticipatorily initiate legal proceedings looking towards a declaration of non-infringement. Nothing more than such action by the plaintiffs appears to be here involved. As a consequence, there is insufficient basis for sanctioning the plaintiffs by holding them responsible for the defendants' attorney's fees and costs.

The plaintiffs now contend that the damages awarded by the jury are grossly excessive. The jury, they say, was not properly instructed concerning what would constitute a reasonable royalty to the owner of an infringed patent and point to a claimed concurrence by the defendants that the award of $1,223,468 far exceeds what courts can allow as royalties. That the jury may have been generous in its award does not derogate from its having had a reasonable basis therefor. There was a sufficient quantum and quality of evidence which was before the jury upon which reasonable jurors could come to the declared conclusion. This Court's instructions on such point were the subject of lengthy precharge and post-charge arguments. Further, the jury was instructed that the defendants had the burden of proving what damages they had sustained by virtue of the plaintiffs' infringement and that, if the jurors were left without a showing of damages by a preponderance of the evidence, they should declare that the defendants' damages were merely nominal—that is, in the amount of one dollar.

The remainder of the plaintiffs' contentions why they should be granted a judgment *non obstante veredicto* or a new trial have been considered.

Also, this Court has fully considered the defendants' motion for an award of attorney's fees and the arguments for and against such an award and finds such an award not warranted in these circumstances.

Acordingly, it is hereby ORDERED that the plaintiffs' said motions and the defendants' motion for attorney's fees are denied.

DATED: Buffalo, N.Y.
October 1, 1991

/s/ John T. Elfvin
U.S.D.J.

Supreme Court, U.S.
FILED
OCT 5 1992
OFFICE OF THE CLERK

(2)

No. 92-396

In The

Supreme Court of the United States

October Term, 1992

ASTRONICS CORPORATION and
RODGARD CORPORATION,

Petitioners,

v.

THEODORE C. PATECELL and
THE PATECELL CORPORATION,

Respondents.

Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

Brief In Opposition For the Respondents THEODORE C. PATECELL AND THE PATECELL CORPORATION

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QUESTIONS PRESENTED FOR REVIEW

1. Does Rule 36 of the Federal Circuit Court of Appeals, providing for judgment of affirmance without opinion, deny litigants any fundamental right?

2. Is the Supreme Court the proper forum for reviewing a Jury damage award, that was A) upheld by the trial judge as being supported by "a sufficient quantum and quality of evidence" and B) affirmed by the Federal Circuit despite the claims of the petitioner of no substantial evidence and improper jury instructions?

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STATEMENT OF THE CASE

This action was instituted by Rodgard/Astronics (petitioners herein) in the United States District Court for the Western District of New York. Prior to this suit, Patecell (respondent herein, and defendant at trial in this suit) brought suit in the United States Claims Court for government infringement of his patents. In the claims court Mr. Patecell alleged infringement of his patents as the result of United States purchases of a runflat (safety roller) device manufactured by Rodgard. Rodgard became aware of the product when Patecell hired them as a subcontractor to produce the same.

Immediately after Patecell brought suit in the claims court, Rodgard/Astronics (Petitioners) brought this suit claiming libel/slander of business title (as the result of Patecell telling the industry that Rodgard/Astronics was infringing his patents) and seeking a declaration of invalidity and non-infringement of Patecell's patents. Patecell counterclaimed against Rodgard/Astronics for fraud, unfair competition (alleging Rodgard misused the technical trade knowledge, and customer lists that they obtained from Pactecell while being his subcontractor, by competing against him at a reduced price). Patecell further counterclaimed for patent infringement of several claims of two separate patents. The matter was tried in the Western District of New York before a jury from December 12, 1990 to January 16, 1991, Judge John T. Elfvin presiding.

Upon conclusion of Rodgard/Astronics case in chief, the court granted Patecell's motion for a directed verdict and dismissed Rodgard/Astronics claims of patent

invalidity. Rodgard/Astronics slander/libel claims and Patecell's unfair competition and infringement claims were submitted to the jury. At the conclusion of Patecell's case in chief the court denied Rodgard/Astronics motion for a directed verdict. This was the first time Rodgard/Astronics alleged that Patecell had failed to meet the burden of proof on damages. The court, disagreed and instructed the jury on damages. The jury found that Rodgard/Astronics had unfairly competed *and* infringed some of the claims of *one* of respondents' patents. The jury held all of the claims of one patent (the unexpired one) not infringed and found no liability on Rodgard/Astronics libel/slander claims. The district court subsequently denied petitioners' motions for a judgment notwithstanding the verdict purusant to Fed. R. Civ. P. 50 (b), and, in the alternative, for a new trial pursuant to Fed. R. Civ. P. 59(a). In rendering its decision, the court noted that "there was a sufficient quantum of evidence which was before the jury upon which reasonable jurors could come to the declared conclusion" (Petitioners' Appendix 6a).[1]

Petitioners appealed to the United States Court of Appeals for the Federal Circuit. On appeal Rodgard/Astronics argued I) The jury as a matter of law, could not have found infringement of claim 29 of the reissue patent; II) the jury award of damages was not supported by the evidence; or in the alternative Rodgard/Astronics was entitled to a new trial because of III) insufficient evidence

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[1] "A" refers to the joint appendix filed in the Federal Circuit, a copy of which has been filed with the Clerk of this Court.

to support the verdict and IV) improper jury instructions. Patecell answered the appeal with transcript documentation of the infringement;[2] transcript documentation of each damage element of *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152 (6th Cir. 1978);[3] and argued that Rodgard/Astronics failure to comply with Federal Rules of Civil Procedure 50(b), 59(b) and 51(c) should prohibit the appeal. The Federal Circuit, five days after oral argument, issued an order affirming without opinion.

SUMMARY OF THE ARGUMENT

Petitioners' arguments that there was inadequate evidence upon which to instruct the jury, relative to damages, is without merit. Examination of the trial record and the case law regarding the determination of damages clearly indicates that sufficient evidence was presented upon which the court could instruct the jury in making its damage award. Furthermore, it is not the function of the Supreme Court to second guess the jury, the trial judge and the Federal Circuit in their unanimous rejection of

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[2] Including an admission of Rodgard's/Astronics expert of infringement (A726a).

[3] The four prong test delineated in *Panduit Corp.*, supra 575 F.2d at 1164, required the patent holder to establish: (1) a demand for the patented product; (2) his marketing and manufacturing capability to exploit the demand; (3) the absence of acceptable non-infringing substitutes; and (4) the amount of profit which he would have made. Pages 28 through 33 of Patecell's brief outlines each element of Panduit with transcript references.

Rodgard/Astronics claim of insufficient evidence of lost profits.

Petitioners' criticism of the court of appeals use of a summary affirmance pursuant to Federal Circuit Rule 36, which permits the court to affirm without opinion where the evidence is sufficient "or" there is no error of law is not simply meritless, but also is not an issue of dimension which would warrant the time and attention of this court.

Rodgard/Astronics has not raised any constitutional issue. Petitioners Rodgard/Astronics, set forth no "special and important reasons" for the grant of certiorari, as described in Rule 10 of the Rules of the Supreme Court of the United States.

Accordingly, this Court should reject this Petition for a Writ of Certiorari.

ARGUMENT

A. RODGARD/ASTRONICS' PETITION FOR CERTIORARI IS MERITLESS AND SETS FORTH NO REASONS WARRANTING REVIEW ON WRIT OF CERTIORARI

Rodgard/Astronics argue that the Patecells' proof of damages presented to the trial court was inadequate upon which to instruct the jury. Said argument lacks merit and is not worthy of this Court's consideration. Petitioners prefer to ignore the evidence of record of each element of the four prong lost profit test established in

Panduit Corp.[4] They mistakenly argue that Patecell must introduce evidence of royalties when there is ample credible evidence of lost profits and mistakenly alleged that the evidence of reasonable royalty is separate and distinct from the evidence relating to lost profits. Said position is contrary to prior holdings of the Federal Circuit.[5]

Throughout the trial, the evidence elicited clearly demonstrates more than a sufficient basis upon which the jury could have based a damage award. The trial testimony of the respondent, Theodore C. Patecell, thoroughly established compliance with the test as set out in *Panduit*. Demand for the Patecell "safety roller" or "run flat" is evidenced by the fact that Patecell had been selling safety rollers for 9 years prior to Rodgard's

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[4] Supra, at note 2.

[5] "Although this court has accepted the *Panduit* standard as a permissible way to establish entitlement to lost profits, we have not made that standard the exclusive one for determining entitlement to lost profits." *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, n. 5 (Fed. Cir. 1983); *Gyromat Corp. v. Champion Spark Plug Co.*, 735 F.2d 549, 551 (Fed. Cir. 1984); *Bio-Rad Laboratories v. Nicolet Instrument*, 739 F.2d 604, 616 (Fed. Cir. 1984). See also *Ergy Register Co., v. Standard Register Co.*, 23 F.2d 438, 443, (6th Cir. 1928), "In fixing a reasonable royalty, the primary inquiry, often complicated by secondary ones, is what the parties would have agreed upon, if both were reasonably trying to reach an agreement. This must be modified by the commercial situation, and when the result is to interfere with a patent monopoly, which the patented was in position to and desired to keep, by retaining the entire market to himself, his compensation for parting against his will with that opportunity must take due account of the loss to him of anticipated profits on the business which the licensees will thus get away from him."

infringement and most heads of state had them installed on their limousines.[6] The manufacturing and marketing capability is clearly established by the fact that prior to Rodgard's infringement, Patecell was the sole supplier to the world for nine (9) years and had other manufacturers, other than Rodgard, producing safety rollers on sub-contract.[7] The assertion of an acceptable non-infringing substitute, namely the "Tyron Band," was proven to be erroneous, there was no proof of sales of the tyron band and there was evidence that the "Tyron Band" was not a "run flat" device, but was a rim band designed to maintain a tire bead.[8] Lastly, the profit determination was easily calculable by taking Patecell's sales price for each wheel size, less the price he was paying to have it manufactured and shipped.[9]

As noted above, the *Panduit* test is not the sole method for damage computation.[10] Petitioners further contended a lack of evidence regarding the royalty claim and ignore the fact that the first inquiry to be made is of lost profits. Only if lost profits *cannot* be credibly shown, do you move on to a reasonable royalty.

Furthermore, to determine the reasonable royalty, the loss of anticipated profits that respondent would have

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[6] (A409, A411).

[7] (A446a), (A417, A559-560, A614, A640, A646, A739).

[8] (A661-662).

[9] (A734-742).

[10] See note 5, supra.

received *but for* the infringement is the primary inquiry.[11] Consequently, respondents' testimony as to lost profits would be the basis upon which the royalty determination would be made. In the face of the extensive evidence regarding Patecell's lost profits, petitioners' argument is without merit. Patecell's testimony regarding his cost per unit (he contracted for the units to be made) was fixed. His sales price was fixed. The difference, was his profit per unit. He testified that his only overhead was his typewriter in his basement. The damage summaries submitted to the jury contained the cost and Patecell's established sales price for each size and type of insert. The difference was multiplied by the actual number of respective units sold by Rodgard. The lost profits were determined without difficulty by the jury.

B. RODGARD/ASTRONICS' PETITION FOR CERTIORARI ASKS THIS COURT TO VOID ALL THE FEDERAL APPELLATE RULES ALLOWING DECISIONS WITHOUT OPINION

It is readily apparent that the premise underlying petitioners' appeal, is their contention that appellate

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[11] The Court of Appeals in *Panduit*, in taking up the issue, instructed the lower court on remand to consider: " . . . the future business and attendant profit Panduit would expect to lose by licensing a competitor, . . . " 575 F.2d at 1164. Additionally, see *Georgia Pacific Corp., v. U.S. Plywood Champion Papers*, 318 F. Supp. 1116, 1127 (2d Cir. 1971) cert. denied, 404 U.S. 870 (1971) ("In the hypothetical negotiations, USP would have been reasonable in taking the position that it would not accept a royalty significantly less than the profit it was making by its policy of licensing no one to sell striated fir plywood in the United States.").

courts give inadequate consideration when their decision is not accompanied by a written and published opinion. That premise has no sound basis in law or in fact.[12]

Given its adoption of Appellate Rule 36, it is not surprising that the Supreme Court has seen no legal impediment to an appellate court's decision of an appeal without opinion.[13]

Congress has given the circuit courts of appeals freedom to proscribe rules for the conduct of their own business, consistent with Acts of Congress and the rules of practice and procedure established by the Supreme

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[12] "There is no requirement in law that a federal appellate court's decision be accompanied by a written opinion." See *Furman v. United States,* 720 F.2d 263, 264 (2d Cir. 1983).

Rule 36 of the Federal Rules of Appellate Procedure, as prescribed by the Supreme Court, expressly contemplates that some appeals will be decided without an opinion. That rule provides, in pertinent part, as follows:

> The notation of a judgment in the docket constitutes entry of the judgment. . . . If a judgment is rendered without an opinion, the clerk shall prepare, sign and enter the judgment following instruction from the court. The clerk shall, on the date judgment is entered, mail to all parties a copy of the opinion, if any, or of the judgment if no opinion was written, and notice of the date of entry of the judgment.

[13] "[T]he courts of appeals should have wide latitude in their decisions of whether or how to write opinions. That is especially true with respect to summary affirmances." See *Taylor v. McKeithen,* 407 U.S. 191, 194 n. 4, (1972) (Rehnquist, J., dissenting); *Lego v. Twomey,* 404 U.S. 477, 482 n. 6, (1972) (reviewing court of appeals' summary affirmance without comment on its summary nature). Accord *United States v. Baynes,* 548 F.2d 481 (3d Cir. 1977); *NLRB v. Amalgamated Clothing Workers of America,* 430 F.2d 966 (5th Cir. 1970); *Furman,* 720 F.2d at 265 n. 1.

Court. See 28 U.S.C.S. § 2071(a). Most Courts of Appeals, have promulgated rules which permit them to decide cases without full opinions, and provide that the decision in such cases are not to be published.[14]

They have promulgated said rules in recognition of the fact that they are no longer able to write full opinions in every case, (due to the large number of filings) and that the proliferation of published opinions must be reduced. The use of the summary affirmance, as opposed to the written decision, does not treat a case as being unimportant,[15] but only means that the decision of the Court of Appeals has no precedential value and does not require a new interpretation of law.[16]

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[14] See First Cir. R. 14; 2d Cir. R. 0.23; 3d Cir. IOP, Ch.6; 4th Cir. R. 18; 5th Cir. R. 47.6; 7th Cir. R. 35; 8th Cir. R. 47B; 9th Cir. R. 36-1-36-5; 10th Cir. R. 36.1; 11th Cir. R. 36-1; D.C. Cir. R. 14; Fed. Cir. R. 36.

[15] "[T]he fact that a disposition is by informal summary order rather than by formal published opinion in no way indicates that less than adequate consideration has been given to the claims raised in the appeal." *Furman*, 720 F.2d 263, 265.

[16] See *Amalagamated Clothing Workers*, 430 F.2d 966, 971 ("our experience, bearing out that of appellate courts generally, is convincing that in a number of cases there is no real need for an opinion at all. Where in a given case that is the considered judicial judgment of three judges comprising a panel, then it is perfectly obvious that the now limited and precious judicial resources can be husbanded by a procedure which eliminates that unnecessary opinion."); *Furman*, 720 F.2d 263, 266 ("A great many cases do not present any new or significant issue for which there are not ample precedents already in the published reports. Many lawyers and judges complain that they do not have enough time to read the opinions now being produced and published each week, without the addition of a new flood of opinions that serve no jurisprudential purpose.").

The adoption of rules that permit unexplained affirmances represents an attempt to respond to the ever increasing federal court work load[17] and provides the courts of appeal with the latitude envisioned to maximize the efficiency of their resources.[18]

---

[17] See *Amalagamated Clothing Workers*, 430 F.2d 966, 970 ("we can see it is our duty to exercise imaginative, inventive resourcefulness in fashioning new methods and in adapting or modifying older ones, to enable us to at least stay abreast of this flood tide.").

[18] "[T]he use of summary orders permits judges to devote more time to the remaining cases that truly merit fully developed exercises of judicial craftsmanship." *Furman*, 720 F.2d at 266.

CONCLUSION

For the foregoing reasons, this court should find that Rodgard's Petition for Certiorari does not present a claim of any importance warranting Supreme Court review and should deny the Petition.

Respectfully submitted,

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No. 92-396

IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

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RODGARD CORPORATION,

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v.

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THE PATECELL CORPORATION,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICI CURIAE AND BRIEF AMICI CURIAE OF THE DISTRICT OF COLUMBIA CHAPTER OF THE FEDERAL BAR ASSOCIATION AND OF THE BAR ASSOCIATION OF THE DISTRICT OF COLUMBIA IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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BEST AVAILABLE COPY

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MOTION FOR LEAVE TO FILE BRIEF AMICI CURIAE AND BRIEF AMICI CURIAE IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

Amici respectfully request leave to file the attached brief on behalf of the District of Columbia Chapter of the Federal Bar Association and of The Bar Association of the District of Columbia, in support of the Petition for Certiorari of Astronics Corporation and Rodgard Corporation. Petitioners have consented to the filing of this brief. A copy of Petitioners' letter of consent has been filed with the Clerk of the Court. Respondents have refused consent.

The District of Columbia Chapter of the Federal Bar Association ("DCFBA"), a voluntary organization, has more than 2,500 members who practice in the Federal Circuit and other circuits throughout the

country. Dedicated to representing federal attorneys, DCFBA members include Members of Congress, agency counsel and general counsel, sole practitioners, consumer activists, corporate attorneys and members of law firms, large and small. The Bar Association of the District of Columbia ("BADC"), established in 1871, is also a voluntary organization, consisting of 5,500 members. Its members are lawyers who practice in federal and local courts in the District of Columbia, including the Federal Circuit.

Both amici are concerned with issues of general significance involving federal practice. They seek to keep their members informed of, and to provide meaningful impact on, matters touching upon these issues. The members of both organizations have great professional interest in the matter as to which review is sought. Amici are familiar with the issue involved and the scope of its presentation. The lawyers who belong to these organizations are very much aware of the problem presented when appellate courts render decisions without explanation. It is the view of amici that review by this Court would constructively address a longstanding major problem, with the result that the administration of justice and fairness to litigants will be enhanced. The attached brief sets forth additional authorities which are presented in order to assist this Court in determining whether to review the issue presented in the Petition for Certiorari.

Because of the importance of the issue presented to the administration of justice, amici respectfully request this Court to grant the Motion for Leave to file the attached brief *Amici Curiae*.

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PRELIMINARY STATEMENT

The District of Columbia Chapter of the Federal Bar Association ("DCFBA") and The Bar Association of the District of Columbia ("BADC") submit this brief *Amici Curiae* in support of the petition for certiorari filed by Astronics Corporation and Rodgard Corporation.

INTERESTS OF THE AMICI

The DCFBA, a voluntary organization, has more than 2,500 members who practice in the Federal Cir-

cuit and other circuits throughout the country. Dedicated to representing federal attorneys, DCFBA members include Members of Congress, agency counsel and general counsel, sole practitioners, consumer activists, corporate attorneys and associates and members of law firms, large and small. The BADC, established in 1871, is also a voluntary organization, consisting of 5,500 members. Its members are lawyers who practice in federal and local courts in the District of Columbia including the Federal Circuit.

Both amici are concerned with issues of general significance involving federal practice. They seek to keep their members informed of, and to provide meaningful impact on, matters touching upon these issues. The members of both organizations have great professional interest in the matter as to which review is sought. Amici are familiar with the issue involved and the scope of its presentation. The lawyers who belong to these organizations are very much aware of the problem presented when appellate courts render decisions without explanation. It is the view of amici that review by this Court would constructively address a longstanding major problem, with the result that the administration of justice and fairness to litigants will be enhanced.

Amici appreciate the opportunity to present these views and urge the Court to grant the petition for certiorari.

SUMMARY OF ARGUMENT

The administration of justice and fairness to litigants suffer when an appellate court decides a case without explanation. The absence of reasons makes it

difficult to evaluate the correctness of the decision. The absence of valid, stated reasons undermines public confidence in the judiciary. Also, the need to explain decisions helps to assure equal justice, by promoting consistency within and among circuits.

When a court must give reasons, this contributes to the correctness of its decisions. This is so because an erroneous decision may be difficult to justify in stated reasons, and because the statement of reasons will indicate whether all dispositive issues have been addressed. The absence of reasons makes it difficult for an attorney to understand a loss and to explain it to the client.

Decisions without reasons have long been of grave concern to the bench and bar. Furthermore, just as appellate courts have required administrative agencies and trial courts to give reasons to assure the integrity of their decisionmaking, so too appellate courts should meet their own standard. When appellate courts do not give reasons, the growth of the law may be distorted in that one panel may be explanatory and another silent in deciding the same issue in conflicting or contrary directions. For this Court to give guidance to the courts of appeals on the standards that should govern the need for reasons would not unnecessarily intrude upon their authority to conduct their own decisionmaking. Rather, such guidance would provide a needed corrective to enhance the administration of justice.

Respected jurists have noted that the giving of reasons is not excessively onerous, especially when a court has already given a matter careful consideration in rendering a decision. The petition for certiorari seeks measured relief, in not asking for an across-

the-board requirement that reasons be given, but rather that this Court set standards governing the need for reasons.

ARGUMENT

REASONS FOR GRANTING THE WRIT

The petition for certiorari presents an issue that is intrinsic to the nature of our judicial process and fundamental to the administration of justice: What are the standards that must be applied in determining the explanation a court must give for its decisions? This is "an important question of federal law which has not been, but should be, settled by this Court." Sup. Ct. R. 10.1(c). In addition, recognizing that Rule 10 "neither control[s] nor fully measur[es] the Court's discretion," we submit that the petition also satisfies Rule 10.1(a), in that the court below "has so far departed from [what should be] the accepted and usual course of judicial proceedings . . . as to call for an exercise of this Court's power of supervision." The fact that the issuance of decisions without reasons is "accepted" among several circuits makes certiorari and supervision by this Court more, rather than less, necessary.

1. Initially, and in order to put the reasons for granting the writ in context, we note that this is *not* a case in which it is readily inferable that the only issue is the sufficiency of the evidence. Here, the court of appeals was presented with the assertion that there were legal errors concerning the instructions. The unexplained affirmance does not permit understanding or analysis of the court's rationale in rejecting the contention that such errors occurred. Nor

can the reasons for affirmance be determined by examination of the decision of the district court. We note that the petition for certiorari does not contend that, if the only issue had been sufficiency of the evidence, petitioner would be seeking review. *Cf.* Petition for Certiorari at 6. Whether the Federal Circuit deemed its action authorized by its Rule 36 or by its inherent appellate authority, its unexplained action raises a question of general importance within the federal judicial system.

2. When a court rules without giving reasons, its decision is difficult to evaluate. It is necessary to speculate as to the basis for the ruling. One cannot necessarily ascertain whether the decision turned on legal issues, or purely on factual considerations. It may not be possible to determine whether all pertinent legal issues were considered; whether the court decided that legal precedent determined the result; and, if so, whether the court adequately considered proffered distinctions.

Mr. Justice Scalia has said that, unlike an umpire in baseball, a judge must give reasons; this is the long tradition of western jurisprudence; the outcome and consequence are not sufficient to tell whether a decision is a good one; one must know the reasons given. Scalia, *The Press and the Law*, speech given at Washington Hebrew Congregation, March 4, 1990. (Available on tape from Audio Responses, Inc., Rockville, Maryland; the tape has the title, "Reflections on the Constitution," Justice Scalia's original topic.)

As the late Judge Harold Leventhal wrote, "[s]ome brief indication of reasons can be retained, enough to serve the appearance of justice and *the reality of consideration*." Leventhal, *Appellate Procedures: Design,*

Patchwork, and Managed Flexibility, 23 UCLA L. Rev. 432, 441 (1976) (emphasis added). The Commission on Revision of the Federal Court Appellate System stated that three-fourths of attorneys surveyed "agreed that it is important for the courts at least to issue memoranda so that they do not give the appearance to litigants of acting arbitrarily, and so that litigants may be assured that the attention of at least one judge was given to the case." Commission on Revision of the Federal Court Appellate System (hereinafter "Commission"), *Structure and Internal Procedures: Recommendations for Change* (June 1975) (hereinafter "Commiss on Report") at 49. The Commission also referred to "the need to provide the Supreme Court with insight into the court of appeals' reasoning when the Justices consider petitions for certiorari." *Id.*

3. The judiciary should be concerned about the respect that is afforded to its decisionmaking process, and about the loss in that respect that results from unexplained decisionmaking. "In the ultimate, and the point bears reiteration, the goal is not only to assure continued acceptance of the rule of law in a democratic society, but also general satisfaction with its administration and operation." *Commission Report* at 53. The Commission also stated: "If the lawyers' perceptions are to be credited, the risk of harm to public confidence in the judicial system from unexplained decisions could become serious." *Id.* at 49. Although said in the context of another circuit, Alan B. Morrison's comment is apt: "Accountability of a federal judge lies in the moral and logical force of his rulings, a force that is totally lacking in the D.C. Circuit's decisions in which no opinion is written." Morrison,

Decisions Without Reasons: A Crisis in the D.C. Circuit, District Lawyer 36, 38 (Fall 1976).

4. Explaining decisions helps to assure that equal justice will be provided to litigants. If a panel of a court of appeals rules in a particular direction without explanation, a later panel may rule in an inconsistent fashion on the same fact pattern because it is unaware of the prior decision or its rationale. The Commission referred to "the obligation to maintain consistency between cases presenting essentially the same legal issues," and to "the problems of even-handedness and consistency in a common law system." *Commission Report* 51, 52. James N. Gardner has noted:

> The heavy caseloads in federal appellate courts make it all but inevitable that judges occasionally, through inadvertence, will reach results at odds with prior decisions.

Gardner, *Ninth Circuit's Unpublished Opinions: Denial of Equal Justice?*, 61 A.B.A. J. 1224, 1225 (1975). When reasons are not stated, it makes it more difficult to assure equal justice by the usual "mechanisms for correction." *Id.*. He also refers to a "hidden conflict" between published and unpublished opinions. *Id.* at 1224.

5. Explaining decisions also helps to assure correctness in decisionmaking. Sometimes a judge may arrive at an apparently correct conclusion, only to find that "it doesn't write." The need to put justification into words helps to expose flaws in reasoning. Judge Leventhal has said: "[T]here is accountability in the giving of reasons." 23 UCLA L. Rev. at 438. When opinions are written, "[t]here is the need to

formulate carefully the reasoning of the court, to review the opinions of one's colleagues, to edit and reedit draft manuscripts in the effort to achieve consensus in the panel." *Commission Report* at 50. These considerations may apply to a lesser extent in the case of memoranda containing a brief statement of reasons. Nevertheless, when there is no explanation at all, there is no need to take care in preparing the reasoning, to ascertain the views of other judges on a draft and to achieve consensus.

Thus, the steps which help to obtain correctness are simply not taken when an order is issued without explanation. Referring to unpublished opinions, Gardner stated: "Freedom from the pressure of critical eyes may indeed allow a judge to write his opinions with greater dispatch, but does it not also create an unwholesome temptation to pay less than meticulous attention to the fine points of an appellant's argument?" 61 A.B.A. J. at 1225. His observation applies with all the more force where no reasons at all are given.

6. A basic aim of the judicial process is to render justice to the parties in particular cases. (The other basic aim is to develop a sound body of law for courts and for society at large.) When an attorney does not understand his or her loss, and is not in a position to explain the loss to the client, it is not clear that justice has been done. Certainly, the appearance of justice will not have been served. *See* Morrison, District Lawyer at 36; *Commission Report* at 49.

7. The absence of reasons accompanying decisions has been of considerable concern to the bench and to the Bar. *See* Wald, *The Problem with the Courts: Black-Robed Bureaucracy or Collegiality Under Chal-*

lenge?, 42 Md. L. Rev. 766, 782 (1983) ("My own guiding principle is that virtually every appellate decision requires some statement of reasons. The discipline of writing even a few sentences or paragraphs explaining the basis for the judgment insures a level of thought and scrutiny by the court that a bare signal of affirmance, dismissal, or reversal does not."). The Commission stated:

> The most dramatic evidence of the importance which attorneys attach to a written record of the reason for a decision can be found in the view expressed by more than two-thirds of the attorneys surveyed that the due process clause of the Constitution should be held to require courts of appeals to write "at least a brief statement of the reasons for their decisions."

Commission Report at 49.

We are not asking the court to decide a due process issue here. The supervisory authority of this Court is sufficient to permit it to set standards for explanation of judicial decisions. Still, the fact that so many lawyers thought that the Due Process Clause was implicated emphasizes that the issue is serious and that it deserves review. Such concerns have been expressed many times. Judge Leventhal wrote: "Grave questions are raised when a court uses 'judgments' and 'orders' to dispense with any indication of reasons." 23 UCLA L. Rev. at 440. *See also, e.g., Davis v. Clark*, 404 F.2d 1356, 1358 (D.C. Cir. 1968) (statement of Judge Tamm).

8. Courts of appeals have faulted district courts and administrative agencies for the failure to provide rea-

sons. No reason appears why the courts of appeals should be held to a lesser standard of review. In fact, because *stare decisis* applies less strictly to administrative agencies than to courts, there is more reason for courts to have to articulate their reasons.

In *Environmental Defense Fund, Inc. v. Ruckelshaus*, 439 F.2d 584, 597 (D.C. Cir. 1971), the court referred to "the requirement that administrators articulate the facts on which they base their decisions," and the special importance of "[s]trict adherence to that requirement." *Id.* (footnote omitted). "Courts should require administrative officers to articulate the standards and principles that govern their discretionary decisions in as much detail as possible." *Id.* at 598 (footnote omitted). The court added:

> When administrators provide a framework for principled decision-making, the result will be to diminish the importance of judicial review by enhancing the integrity of the administrative process, and to improve the quality of judicial review in those cases where judicial review is sought.

Id.

Similarly, the provision of reasons enhances the integrity of the judicial process. Also, as stated above, by giving an explanation the courts of appeals facilitate this Court's task of deciding upon the cases that warrant review. *See Davis v. Clark*, *supra* (addressing requirement that district court give reasons).

9. The failure to give reasons permits the possibility of an idiosyncratic tendency in the growth of the law. Let us suppose that two panels are faced with the same legal question and arrive at opposite

conclusions. The direction that the law takes should not be determined by the happenstance that one panel gives reasons and the other does not. One would think that each decision is a precedent in the sense that it is "a public act of a public official." *Cf. In re Memorial Hosp. of Iowa County, Inc.*, 862 F.2d 1299, 1302 (7th Cir. 1988) (denies motion to vacate district court's decision after the parties have settled pending appeal).

10. We are mindful of the dictum in *Taylor v. McKeithen*, 407 U.S. 191, 194 n.4 (1972), that the courts of appeals should have wide latitude about whether or how to write opinions. However, in the 20 years that have passed grave concerns have been expressed about the issuance of decisions without reasons. The dictum obviously was not a dispositive ruling on the question of the standards that should be employed in determining whether a decision may be issued without reasons. The issue is ripe to be addressed by this Court.

Nor will review by this Court result in burdensome tasks assigned to the courts of appeals. As Judge Tamm stated: "Such a requirement is not onerous if the matter was dealt with in a conscientious manner in passing on the merits." *Davis v. Clark*, 404 F.2d at 1358. As Judge Wald said: "A minimum opinion need not be unduly time consuming to write." 42 Md. L. Rev. at 782. *Cf.* Petition for Certiorari at 11 (quoting Chief Judge Markey on the previous practice of the Federal Circuit in explaining all of its decisions).

11. The petition for certiorari does not seek draconian relief. It asks this Court "to provide guidance to courts of appeals and litigants on this important question of judicial administration." Petition for Certiorari at 5. For this Court to take review and

provide such guidance would ameliorate a major unresolved issue of fairness and judicial administration. There would be great benefit to the bench, the bar, litigants and the public.

CONCLUSION

Amici respectfully urge this Court to grant the petition for certiorari.

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REPLY BRIEF OF PETITIONERS

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REPLY BRIEF OF PETITIONERS

When stripped of its attack on strawmen, respondents' brief in opposition ("RB") confirms the showing in the petition ("Pet.") that certiorari should be granted.

1. On the issue of summary affirmance without opinion, respondents do not dispute that: the subject is important; such affirmances entail serious risks and costs (*see* Pet. 8-9; Amicus Brief 2-4); they have become even more controversial as their use, meant to be "sparing," has ballooned in recent years (*see* Pet.

12-13);[1] and the terms of Federal Circuit Rule 36 (and like rules) and its application in this case confirm the need for guidance concerning the permissible uses of such rules and practices.

Instead, respondents misstate our position as seeking "to void all the federal appellate rules allowing decisions without opinion" (RB 7), as contending that "courts give inadequate consideration when their decision is not accompanied by a written and published opinion" (RB 8),[2] and as insisting on "full opinions in every case" (RB 9). We do not. We recognize that there may be a need for summary affirmances without opinion. We submit only that, as amici confirm, there is sufficient reason for concern about abuse or overuse to warrant this Court's supervisory guidance. Respondents have not shown otherwise.

Respondents assert that use of summary affirmance "only means that the decision of the Court of Appeals has no precedential value and does not require a new interpretation of law" (RB 9). In the case of rules like Rule 36, that is not so. By that rule's terms, such an affirmance may mean only that the evidence

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[1] The leading early decision on such opinions contemplated that their use would be "sparing." *NLRB v. Amalgamated Clothing Workers*, 430 F.2d 966, 972 (5th Cir. 1970) (cited at RB 8 n.13, 9 n.16, 10 n.17). Similarly, in *Furman v. United States*, 720 F.2d 263, 266 (2d Cir. 1983) (cited at RB 8 n.12, 9 nn.15, 16, 10 n.18), the court stated that its practice was still to provide, if not a "formal" opinion, *i.e.*, a "fully developed exercise[] of judicial craftsmanship," at least an oral or brief statement of rationale in virtually every case, unless the appeal were "frivolous."

[2] The issues of whether opinions should be published, or citable, are important but separate matters not raised by the petition.

was sufficient to support the verdict, even though there may have been dispositive legal errors.[3] Respondent does not dispute that to permit affirmances without opinions in these circumstances is to undermine the integrity of the appellate process.

2. Respondents' primary response has been to belittle the petition as presenting merely a question of the sufficiency of the evidence (RB 3, 4). This reflects a misreading of the petition. It rests explicitly upon precisely the opposite premise, *i.e.*, that the court of appeals properly found the evidence of lost profits sufficient (Pet. 6).

What respondents ignore, as they did below, is the indisputable error in the jury instructions on lost profits, an "error of law" that is "dispositive" here (*see* Pet. 7-8, 13). Their silence tacitly confirms that the court of appeals could not properly have affirmed the judgment even if the evidence of lost profits as damages was sufficient (*id.*).

Respondents also do not dispute that they withdrew their claim for royalties, and conceded that there was no evidentiary basis for the jury to award a reasonable royalty as damages (*see* Pet. 3 & n.2). Instead, they assert that the jury could have awarded royalties based on the evidence of lost profits (RB 5-7). But such a verdict would be tainted by the same reversible error in the absence of instructions about how to determine lost profits.

---

[3] In *United States v. Baynes*, 548 F.2d 481, 483-84 (3d Cir. 1977) (cited at RB 8 n.13), the court relied on *Amalgamated* in emphasizing that the appellate court must address all potentially "dispositive" issues and find no errors of law.

Moreover, respondents err in asserting that, to establish a royalty, the "first" or "primary" inquiry is the patentee's actual lost profits (RB 6, 7). As the cases they cite make clear, "'[i]n fixing a reasonable royalty, the primary inquiry . . . is what the parties would have agreed upon . . .,'" modified to take account of the "loss . . . of anticipated profits." *Panduit Corp. v. Stahlin Bros. Fibre Works, Inc.*, 575 F.2d 1152, 1163 (6th Cir. 1978) (*see* RB 5 n.5).[4] Even if the royalty issue had not been taken out of the case (Pet. 3), the undisputed absence of evidence on the "primary" inquiry would have precluded a supportable verdict based on a reasonable royalty.[5]

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[4] Respondents' effort to treat actual lost profits and royalties reflecting anticipated lost profits as interchangeable is contrary not only to the case law they ignore (*see* Pet. 6 n.3, 7 n.6), but to the cases they cite, including *Panduit*. There the court referred to "'anticipated profits'" the patentee will lose by licensing a competitor as a factor in addition to what the parties would have agreed upon in arms length negotiations. 575 F.2d at 1163-64. Similarly, in *Georgia-Pacific Corp. v. United States Plywood Corp.*, 318 F. Supp. 1116, 1127 (S.D.N.Y. 1970), *modified on other grounds*, 446 F.2d 295 (2d Cir.), *cert. denied*, 404 U.S. 870 (1971), the court noted that a reasonable royalty "is not . . . commensurable with actual damages computed in terms of demonstrably proved lost profits."

[5] Respondents allude without discussion to their having argued that the appeal should have been "prohibit[ed]" by petitioners' alleged failure to comply with Fed. R. Civ. P. 50(b), 51(c) and 59(b) (RB 3). This is a reference to their arguments that petitioners' post-trial motions (and hence petitioners' notice of appeal) were untimely, a contention that overlooked the 1985 amendments to Fed. R. Civ. P. 6(a) concerning the counting of non-business days. If the Federal Circuit had agreed with respondents' unfounded contention, it would have been obliged to dismiss the appeal, rather than affirm on the merits, as it did.

CONCLUSION

The Court should grant the writ.

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